



## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### 15 CFR Part 744

[Docket No. 231115-0270]

RIN 0694-AJ45

### Additions to the Entity List

#### AGENCY:

Bureau of Industry and Security, Department of Commerce.

**ACTION:** Final rule.

**SUMMARY:** In this rule, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) by adding four entities under nine entries to the Entity List. These entities are listed under the destinations of Costa Rica (1), Ecuador (1), India (1), Panama (2), Spain (1), Russia (1), and Venezuela (2). These entities have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. Some entities are added under multiple entries, accounting for the difference in the totals.

**DATES:** This rule is effective November 17, 2023.

**FOR FURTHER INFORMATION CONTACT:** Chair, End-User Review Committee, Office of the Assistant Secretary for Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-5991, Email: [ERC@bis.doc.gov](mailto:ERC@bis.doc.gov).

#### SUPPLEMENTARY INFORMATION:

##### Background

The Entity List (supplement no. 4 to part 744 of the EAR (15 CFR parts 730-774)) identifies entities for which there is reasonable cause to believe, based on specific and articulable facts, that the entities have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy interests of the

United States, pursuant to § 744.11(b). The EAR impose additional license requirements on, and limit the availability of, most license exceptions for exports, reexports, and transfers (in-country) when a listed entity is a party to the transaction. The license review policy for each listed entity is identified in the “License Review Policy” column on the Entity List, and the impact on the availability of license exceptions is described in the relevant *Federal Register* document that added the entity to the Entity List. The Bureau of Industry and Security (BIS) places entities on the Entity List pursuant to parts 744 (Control Policy: End-User and End-Use Based) and 746 (Embargoes and Other Special Controls) of the EAR.

The End-User Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, the Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and makes all decisions to remove or modify an entry by unanimous vote.

## **Entity List Decisions**

### *Additions to the Entity List*

The ERC determined to add Aerofalcon S.L., under the destination of Spain; Novax Group S.A., under the destinations of Costa Rica, Ecuador, Panama, Venezuela, and Russia; and Zero Waste Global SA, under the destinations of Panama and Venezuela, to the Entity List. These entities are added to the Entity List pursuant to § 744.11 of the EAR for engaging in activities contrary to U.S. national security and foreign policy interests. Specifically, these entities were used by their principals to circumvent U.S. sanctions, supplying the representatives of Nicolás Maduro in Venezuela with U.S. origin aircraft parts. This circumvention was conducted by, among other efforts, concealing the true end user and end destination of the exports using misrepresentations and fraudulent documents, including the filing of false Electronic Export Information. These entities will be added with a license requirement for all items subject to the EAR and a license review policy of presumption of denial.

The ERC determined to add Si2 Microsystems Private Limited, under the destination of India, to the Entity List. This entity is added to the Entity List for providing support to Russia's military and/or defense industrial base. Specifically, this entity supplied Russian consignees connected to the Russian defense sector with U.S.-origin integrated circuits after March 1, 2023. These integrated circuits are classified under Harmonized Tariff System (HTS)-6 codes 854231, 854232, 854233, and/or 854239. These HTS-6 codes are identified under supplement no. 4 to part 746 (Russian and Belarusian Industry Sector Sanctions Pursuant to § 746.5(a)(1)(ii)). All U.S.-origin items classified under these HTS-6 codes have been controlled for export and reexport and transfer within Russia since September 15, 2022. Such U.S.-origin items require a license under § 746.5(a)(1)(ii) of the EAR when destined to Russia or Belarus.<sup>1</sup>

Therefore, the documented shipments by this entity to Russia of such U.S.-origin items are contrary to U.S. national security and foreign policy interests under § 744.11(b) of the EAR. This entity will be added with a license requirement for all items subject to the EAR and a license review policy of denial.

For the reasons described above, this final rule adds the following four entities, including aliases where appropriate, to the Entity List:

**Costa Rica**

- Novax Group S.A.

**Ecuador**

- Novax Group S.A.

**India**

- Si2 Microsystems Private Limited.

**Panama**

---

<sup>1</sup> On February 24, 2023 (88 FR 12150), BIS also expanded controls to include certain foreign-made items classified under the same HTS-6 codes destined to Russia, due to their demonstrated use in weapons found on the battlefield in Ukraine. Such foreign-made items are subject to the EAR and the license requirements of § 746.8(a)(2) when a reexport, export from abroad, or transfer (in-country) meets the destination scope of the Russia/Belarus/Temporarily occupied Crimea region of Ukraine FDP (Foreign Direct Product) rule described in § 734.9(f) of the EAR.

- Novax Group S.A.; *and*
- Zero Waste Global SA.

### **Spain**

- Aerofalcon S.L.

### **Russia**

- Novax Group S.A.

### **Venezuela**

- Novax Group S.A.; *and*
- Zero Waste Global SA.

### *Savings Clause*

For the changes being made in this final rule, shipments of items removed from eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR) as a result of this regulatory action that were en route aboard a carrier to a port of export, reexport, or transfer (in-country), on November 17, 2023, pursuant to actual orders for export, reexport, or transfer (in-country) to or within a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR) before December 18, 2023. Any such items not actually exported, reexported or transferred (in-country) before midnight, on December 18, 2023, require a license in accordance with this final rule.

### **Export Control Reform Act of 2018**

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which included the Export Control Reform Act of 2018 (ECRA) (50 U.S.C. 4801-4852). ECRA provides the legal basis for BIS's principal authorities and serves as the authority under which BIS issues this rule.

### **Rulemaking Requirements**

1. This rule has been determined to be not significant for purposes of Executive Order 12866.
2. Notwithstanding any other provision of law, no person is required to respond to or be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves an information collection approved by OMB under control number 0694-0088, Simplified Network Application Processing System. BIS does not anticipate a change to the burden hours associated with this collection as a result of this rule. Information regarding the collection, including all supporting materials, can be accessed at <https://www.reginfo.gov/public/do/PRAMain>.
3. This rule does not contain policies with federalism implications as that term is defined in Executive Order 13132.
4. Pursuant to section 1762 of the Export Control Reform Act of 2018, this action is exempt from the Administrative Procedure Act (5 U.S.C. 553) requirements for notice of proposed rulemaking, opportunity for public participation, and delay in effective date.
5. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5 U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, are not applicable. Accordingly, no regulatory flexibility analysis is required, and none has been prepared.

#### **List of Subjects in 15 CFR Part 744**

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730-774) is amended as follows:

#### **PART 744 – END-USE AND END-USER CONTROLS**

1. The authority citation for part 744 is revised to read as follows:

**Authority:** 50 U.S.C. 4801–4852; 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of November 8, 2022, 87 FR 68015, 3 CFR, 2022 Comp., p. 563; Notice of September 7, 2023, 88 FR 62439 (September 11, 2023).

2. Supplement no. 4 is amended:

- a. Under COSTA RICA, by adding, in alphabetical order, an entry for “Novax Group S.A.,”
- b. Under ECUADOR, by adding, in alphabetical order, an entry for “Novax Group S.A.,”
- c. Under INDIA, by adding, in alphabetical order, an entry for “Si2 Microsystems Private Limited.,”
- d. Under PANAMA, by adding, in alphabetical order, entries for “Novax Group S.A.,” *and* “Zero Waste Global SA,”
- e. Under SPAIN, by adding, in alphabetical order, an entry for “Aerofalcon S.L.,”
- f. Under RUSSIA, by adding in alphabetical order, an entry for “Novax Group S.A.,” *and*
- g. Under VENEZUELA, by adding in alphabetical order, entries for “Novax Group S.A.,” *and* “Zero Waste Global SA.”

to read as follows:

#### Supplement No. 4 to Part 744 – Entity List

\* \* \* \* \*

Country	Entity	License requirement	License review policy	Federal Register Citation
*****				

<b>COSTA RICA</b>	*****			
	Novax Group S.A., Centro Corporative Lindora, Oficina Nro. 2-10, Pozos de Santa Ana, San Jose, 10903, Costa Rica. (See alternate addresses under Ecuador, Panama, Russia, and Venezuela).	For all items subject to the EAR. (See § 744.11 of the EAR)	Presumption of denial	88 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	*****			
<b>ECUADOR</b>	*****			
	Novax Group S.A., Avenida Joaquin Orrantia y Juan Tanca Marengo, Torres del Mall del Sol Piso 4, Torre B, Guayaquil, Ecuador. (See alternate addresses under Costa Rica, Panama, Russia, and Venezuela).	For all items subject to the EAR. (See § 744.11 of the EAR)	Presumption of denial	88 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	*****			
<b>INDIA</b>	*****			
	Si2 Microsystems Private Limited, 84, Deep Towers, EPIP Industrial Area, Whitefield, Bangalore, Karnataka, 560066, India; <i>and</i> #52/A, 1st Cross, 3rd Main KIADB Industrial Area, Hoskote, Bangalore, Karnataka, 562114, India; <i>and</i> 3796, 7th Main, Hal II Stage, Bangalore, Karnataka, 560008, India; <i>and</i> 493/3 Bramhalingeswara Complex, Airport Road, Bangalore, Karnataka, 560008, India; <i>and</i> 177/2 Bannerghatta Road, Begur Hobli Bilekahalli Industrial Area, Bangalore, Karnataka, 560076, India.	For all items subject to the EAR (See § 744.11 of the EAR)	Policy of denial	88 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	*****			
<b>PANAMA</b>	*****			
	Novax Group S.A., Avenida Aquilino de la Guardia con Calle 47, Edificio Ocean Plaza, Piso 16, Oficina 8, Ciudad de Panama, Panama. (See alternate addresses under Costa Rica, Ecuador, Russia, and Venezuela).	For all items subject to the EAR. (See § 744.11 of the EAR)	Presumption of denial	88 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	*****			

	Zero Waste Global S.A., 58 Street Obarrios Office One Building, Suite 1302, Panama City, Panama. (See alternate address under Venezuela).	For all items subject to the EAR. (See § 744.11 of the EAR)	Presumption of denial	88 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	*****			
<b>RUSSIA</b>	*****			
	Novax Group S.A., Koptevskaya Ulitsa 67, Moscow, 125239, Russia. (See alternate addresses under Costa Rica, Ecuador, Panama, and Venezuela).	For all items subject to the EAR. (See § 744.11 of the EAR)	Presumption of denial	88 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	*****			
<b>SPAIN</b>	*****			
	Aerofalcon S.L., Calle Ángel Cervero 28, Madrid, 28043, Spain.	For all items subject to the EAR. (See § 744.11 of the EAR)	Presumption of denial	88 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	*****			
<b>VENEZUELA</b>	*****			
	Novax Group S.A., Caracas, Venezuela. (See alternate addresses under Costa Rica, Ecuador, Panama, and Russia).	For all items subject to the EAR. (See § 744.11 of the EAR)	Presumption of denial	88 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	Zero Waste Global S.A., Between Avenida Beethoven and Avenida Principal de Bello Monte, Edificio El Cigarral PH-A, Caracas, CP 1050, Venezuela. (See alternate address under Panama).	For all items subject to the EAR. (See § 744.11 of the EAR)	Presumption of denial	88 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	*****			

\* \* \* \* \*

**Matthew S. Borman,**

*Deputy Assistant Secretary for Export Administration.*



